

Commonwealth Edison
Response to ORMD Request for Comments
10/27/2008

ComEd appreciates this opportunity to respond to the diverse and insightful comments posted by the parties in response to the Office of Retail Market Development Request for Comments ("ORMD Request"). ComEd believes that the questions posed by the ORMD, and the responses thereto, will provide a solid foundation for future discussions on the issues identified. Indeed, much remains to be discussed and clarified.

As comments addressing ComEd were not necessarily laid out according to the initial ORMD Request format, these responses will be topical.

Proper Entity to Administer Retail Choice and Referral Programs

Regarding the Retail Choice and Referral Programs and the role of utilities in the administration and implementation of such programs, utilities clearly have some role to play in administration and implementation. However, ComEd believes the level of utility involvement depends greatly on the nature of the referral program. For example, utilities would have a clear role to play in the two referral programs contemplated under Section 20-130(e)(2) and (3) of the Public Utilities Act ("PUA"), as the two involve calls initiated by customers to the utility. For discount-based choice programs, however, the involvement of the utility role is less clear as the discounts are offered by the RESs, not utilities, and could be implemented (or even may be implemented) by the RESs today. The appropriateness of a change in the market structure, as suggested by Integrys, Ameren, MXenergy, and Dominion Retail, that would establish utilities as the agent of RESs and have utilities take over the customer enrollment process for RESs is not clear to ComEd. Nevertheless, during the workshop process, roles and responsibilities will need to be reviewed further.

Further, ComEd does not see the IDC rules as creating any issues with the contemplated referral programs.

Preferred Cost Recovery Mechanism

Cost recovery remains a constant concern for ComEd. ComEd agrees with many of the respondents that cost minimization is an appropriate concern and recognizes that these costs must be balanced with the benefits driven from the programs. As noted by MXenergy, the offering of a referral service does not guarantee that the service will be used. Such comments serve to underscore ComEd's more general concerns regarding the possibility of building processes that are never used or even stranded from a cost recovery perspective.

ComEd would consider an incentive structure for providing referrals as suggested by MXenergy and US Energy Savings, but any referrals must be on a non-discriminatory basis. Nevertheless, the ultimate success of these programs in promoting competition rests with the RESs and their respective service offerings, not the utility referral.

Appropriate Funding Sources for Consumer Education

In general, ComEd agrees with the parties that General Assembly appropriations for customer education programs would be appropriate. The responses from Constellation and Integrys also noted that the utilities could also be used as a funding source. In the event that utilities' funds are used in such capacity, the utilities would be entitled to full and timely cost recovery.

Limiting Programs and Websites to Focus on Residential Customers

As a result of the legislative changes, ComEd believes that the Commission's role should be to provide resources for all "mass market" customers related to customer education, websites and other retail choice and referral programs. This approach would not impact the opportunities for RESs to target specific consumer groups, such as residential customers. In addition, if a specific program is designed to target one consumer group, utilities should not be put in the inefficient position of having to "build it twice" to enable additional groups. If the Commission in some way excludes a group, the utilities may become the educational backfill for those excluded.

PUA Allowance for Texas or "Illinois Gas" Data Availability

ComEd recognizes the potential benefits to RESs associated with the availability of "customer lists" as described by Dominion Retail and MXenergy. However, ComEd believes that the PUA does not seem to allow for customer lists to be released.

Customer Protections

ComEd agrees that a collaborative education program can be effective in engaging customers to new opportunities and potentially protect them from untoward marketing. In a similar manner, appropriate levels of uniform disclosures make sense so that the utilities can work from common scripts when handling customer calls without providing too much or too little support or information. ComEd also is interested in supporting programs that allow LIHEAP customers to take part in choice. ComEd has no additional response or inputs to new Commission reports that may be considered as part of this process.

In conclusion, ComEd appreciates the responses offered to the multifaceted questions posed in the ORMD Request. The written responses to the ORMD Request provide an excellent opportunity to review and consider the views of all the parties. ComEd looks forward to continued discussion with the workshop participants on these programs and believes that written comment processes

should be employed by the ORMD, as appropriate, during the workshops as a means of presenting views and identifying issues before meetings.